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UNITED STATES DEPARTMENT OF JUSTICE
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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
RIVERSIDE DIVISION

In re:

LINCOLN JAMES INVESTMENT
PROPERTIES, LLC,

Debtor and Debtor-in-Possession.

Case No. 6:17-bk-17285-WJ

CHAPTER 11

**NOTICE OF MOTION AND MOTION
BY UNITED STATES TRUSTEE TO
CONVERT OR DISMISS CHAPTER 11
CASE; MEMORANDUM OF POINTS
AND AUTHORITIES; DECLARATION
OF TIMOTHY J. FARRIS IN SUPPORT**

Date: November 28, 2017
Time: 2:00 p.m.
Place: United States Bankruptcy Court
Courtroom 304
3420 Twelfth Street
Riverside, CA 92501

**TO THE HONORABLE WAYNE E. JOHNSON, UNITED STATES
BANKRUPTCY COURT JUDGE, THE DEBTOR, AND ALL PARTIES IN INTEREST:**

PLEASE TAKE NOTICE that on November 28, 2017, at 2:00 p.m., in Courtroom 304
of the United States Bankruptcy Court for the Central District of California, located at 3420
Twelfth Street, Riverside, CA 92501, before the Honorable Wayne E. Johnson, United States
Bankruptcy Court Judge, Peter C. Anderson, the United States Trustee for Region 16 ("U.S.

Trustee”), will move the Court for an order converting or dismissing the Chapter 11 bankruptcy case filed by the debtor, Lincoln James Investment Properties, LLC (“Debtor”).

This motion is brought pursuant to 11 U.S.C. § 1112(b) and Federal Rule of Bankruptcy Procedure 1017² on the grounds that “cause” exists to convert or dismiss this case.

This motion is supported by the notice of motion, the motion, the memorandum of points and authorities filed in support of the motion, the declaration of Timothy J. Farris (“Farris Decl.”), the files and records of the Court in this case, and upon such argument and/or evidence as may be presented by counsel at the time of the hearing on the motion.

Pursuant to Federal Rule of Evidence 201, the U.S. Trustee hereby moves the Court to take judicial notice of the docket and all documents filed in this case, including, without limitation, the Debtor’s petition, schedules, and statements.

Local Bankruptcy Rule (“LBR”) 9013-1(1)(f) requires that any objection or response to this motion must be stated in writing, filed with the Clerk of the Court and served on the United States Trustee at 3801 University Avenue, Suite 720, Riverside, California 92501. Failure to file and serve any opposition may be considered consent to the relief requested in this motion.

DATED: November 3, 2017

PETER C. ANDERSON
UNITED STATES TRUSTEE

By: /s/ Mohammad Tehrani
Mohammad Tehrani
Trial Attorney

² Unless otherwise indicated, all chapter, section and rule references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532, the Federal Rules of Bankruptcy Procedure, Rules 1001-9037, and the Local Bankruptcy Rules of the United States Bankruptcy Court for the Central District of California (“LBR”).

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Debtors in Chapter 11 bankruptcy have a statutory duty to pay fees for every quarter that they are a debtor in bankruptcy (“Quarterly Fees”). The Debtor is delinquent on its Quarterly Fees for the third quarter of 2017. Payment was due on September 30, 2017.

A debtor’s failure to pay quarterly fees requires the conversion or dismissal of a bankruptcy case. 11 U.S.C. § 1112(b). The Court should dismiss or convert this bankruptcy case.

II. STATEMENT OF FACTS

1. The Debtor filed a voluntary Chapter 11 bankruptcy petition on August 30, 2017. [See Docket, Farris Decl. at Exh. 1].

2. The Debtor owes Quarterly Fees in the amount of \$325 incurred for the third quarter of 2017. [Quarterly Fee Report, Farris Decl., Exh. 2]. The Quarterly Fees were due on September 30, 2017, and became delinquent after October 31, 2017. [Farris Decl. at ¶ 3].

3. The Debtor’s assets are valued on its petition at \$7,014,328.01. [Farris Decl. at Exh. 3].

4. The Debtor’s unsecured claims total \$4,508.12. [Farris Decl. at Exh. 4].

5. The Debtor’s secured claims on its petition total \$5,217,848.08. [Farris Decl. at Exh. 5].

III. JURISDICTION AND STANDING

The Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2)(A) and (O). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The U.S. Trustee is a recognized party-in-interest with standing to request dismissal or conversion of a Chapter 11 case. 28 U.S.C. § 586(a)(8).

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1 **IV. ARGUMENT**

2 **A. “CAUSE” EXISTS TO DISMISS OR CONVERT THIS CASE BECAUSE**
3 **THE DEBTOR IS DELINQUENT ON ITS QUARTERLY FEES**

4 Section 1112(b) provides that, with limited exceptions, “on request of a party in interest,
5 and after notice and a hearing, the court shall convert a case under this chapter to a case under
6 chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and
7 the estate, for cause” 11 U.S.C. § 1112(b). While “cause” is not defined by the Bankruptcy
8 Code, Section 1112 enumerates a list of examples, including a debtor’s failure to pay Quarterly
9 Fees. 11 U.S.C. § 1112(b)(4)(K).

10 Chapter 11 debtors are required to pay Quarterly Fees for “each quarter (including any
11 fraction thereof” until the case is converted or dismissed, whichever occurs first.” 28 U.S.C. §
12 1930 (a)(6). The Debtor is delinquent \$325 in Quarterly Fees for the third quarter ending on
13 September 30, 2017. The Debtor became delinquent on its Quarterly Fees after October 31,
14 2017. The Debtor’s delinquency is unexcused, and is cause to dismiss or convert this case.

15 **B. THE U.S. TRUSTEE DOES NOT TAKE A POSITION ON WHETHER**
16 **DISMISSAL OR CONVERSION IS IN THE BEST INTERESTS OF**
17 **CREDITORS AND THE ESTATE**

18 Having determined that “cause” exists to dismiss or convert a case, the Court must
19 determine whether dismissal or conversion is in the best interest of creditors and the estate.
20 *See* 11 U.S.C. § 1112(b).

21 Here, the Debtor appears to have sufficient equity to pay creditors in full. However, this
22 case is a single asset real estate case. It is not clear whether the appointment of a trustee is in the
23 best interests of creditors and the estate as opposed to allowing creditors to enforce their state
24 law rights.

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1 **V. CONCLUSION**

2 The Debtor is delinquent on its Quarterly Fees. The Court should convert or dismiss the
3 bankruptcy case, with judgment for any past due quarterly fees and fees to be assessed for the
4 current quarter.³

5 DATED: November 3, 2017

PETER C. ANDERSON
UNITED STATES TRUSTEE

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7 By: /s/ Mohammad Tehrani
Mohammad Tehrani
8 Trial Attorney
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25 ³ Quarterly fee payments are based on a debtor's quarterly disbursements. The fee is \$325
26 for disbursements between zero and \$15,000, \$650 between \$15,000 and \$75,000, \$975 between
27 \$75,000 and \$150,000, \$1625 between \$150,000 and \$225,000, \$1,950 between \$225,000 and
28 \$300,000, \$4,875 between \$300,000 and \$1,000,000, \$6,500 between \$1,000,000 and \$2,000,000,
\$9,750 between \$2,000,000 and \$3,000,000, \$10,400 between \$3,000,000 and \$5,000,000,
\$13,000 between \$5,000,000 and \$15,000,000, \$20,000 between \$15,000,000 and \$30,000,000,
and \$30,000 for distributions over \$30,000,000. 28 U.S.C. § 1930(a)(6).

DECLARATION OF TIMOTHY J. FARRIS

I, Timothy J. Farris, declare:

1. I am employed by the United States Department of Justice as a senior regional bankruptcy analyst for the United States Trustee for Region 16. I submit this declaration in support of the motion. I make this declaration of my own personal knowledge except where stated on information and belief, and as to such matters I believe them to be true. If called as a witness, I could and would testify truthfully to the information contained herein.

2. Attached hereto as Exhibit 1 is a true and correct copy of the docket in this case, which U.S. Trustee staff obtained from the Court's electronic records.

3. Attached hereto as Exhibit 2 is a true and correct copy of the Chapter 11 Quarterly Fee Information and Collection System report for the Debtor, which is maintained by the U.S. Trustee as part of his statutory duties. According to the report, the Debtor has failed to pay U.S. Trustee Quarterly Fees in the amount of \$325 for the third quarter of 2017. The Quarterly Fees were due on September 30, 2017, and became delinquent after October 31, 2017.

4. Attached hereto as Exhibit 3 is a true and correct copy of the Schedule A/B filed by the Debtor in this case, which U.S. Trustee staff obtained from the Court's electronic records.

5. Attached hereto as Exhibit 4 is a true and correct copy of the Schedule E/F in this case, which U.S. Trustee staff obtained from the Court's electronic records.

6. Attached hereto as Exhibit 5 is a true and correct copy of the Schedule D in this case, which U.S. Trustee staff obtained from the Court's electronic records.

I declare under penalty of perjury that the foregoing is true and correct, and that this declaration was executed on November 3, 2017, at Riverside, California.

/s/ Timothy J. Farris
Timothy J. Farris
Bankruptcy Analyst

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
Office of the U. S. Trustee, 3801 University Avenue, Suite 720, Riverside, CA 92501

A true and correct copy of the document entitled **NOTICE OF MOTION AND MOTION BY UNITED STATES TRUSTEE TO CONVERT OR DISMISS CHAPTER 11 CASE; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF TIMOTHY J. FARRIS IN SUPPORT** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On November 3, 2017, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On November 3, 2017, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

| |
|--|
| Debtor: Lincoln James Investment Properties, LLC 27310 Madison Ave., Suite 103 Temecula, CA 92590 |
|--|

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on November 3, 2017, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Presiding Judge: (overnight mail via Fed Ex)
Hon. Wayne E. Johnson
3420 Twelfth St., #384
Riverside, CA 92501

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

November 3, 2017

Mohammad Tehrani

/s/ Mohammad Tehrani

Date

Printed Name

Signature

Mailing Information for Case 6:17-bk-17285-WJ

Electronic Mail Notice List

The following is the list of **parties** who are currently on the list to receive email notice/service for this case.

- **Candace Carlyon** ccarlyon@clarkhill.com,
Crobertson@clarkhill.com;nrodriguez@clarkhill.com
- **Everett L Green** everett.l.green@usdoj.gov
- **Richard A Rogan** rrogan@jmbm.com, jb8@jmbm.com;to1@jmbm.com
- **Todd L Turoci** mail@theturocifirm.com
- **United States Trustee (RS)** ustpreion16.rs.ecf@usdoj.gov

Manual Notice List

The following is the list of **parties** who are **not** on the list to receive email notice/service for this case (who therefore require manual noticing/service). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

- (No manual recipients)

Creditor List

Click the link above to produce a complete list of **creditors** only.

List of Creditors

Click on the link above to produce a list of **all** creditors and **all** parties in the case. User may sort in columns or raw data format.

DsclsDue, PlnDue

**U.S. Bankruptcy Court
Central District of California (Riverside)
Bankruptcy Petition #: 6:17-bk-17285-WJ**

Assigned to: Wayne E. Johnson
Chapter 11
Voluntary
Asset

Date filed: 08/30/2017
341 meeting: 09/26/2017
Deadline for filing claims: 12/29/2017
Deadline for filing claims (govt.): 03/19/2018

Debtor

Lincoln James Investment Properties, LLC
27310 Madison Ave, STE 103
Temecula, CA 92590
RIVERSIDE-CA
Tax ID / EIN: 46-1704246

represented by **Todd L Turoci**

The Turoci Firm
3845 Tenth Street
Riverside, CA 92501
888-332-8362
Fax : 866-762-0618
Email: mail@theturociframe.com

U.S. Trustee

United States Trustee (RS)
3801 University Avenue, Suite 720
Riverside, CA 92501-3200
(951) 276-6990

represented by **Everett L Green**

Office of the US Trustee
3801 University Avenue
Ste 720
Riverside, CA 92501
951-276-6063
Fax : 951-276-6973
Email: everett.l.green@usdoj.gov

| Filing Date | # | Docket Text |
|-------------|-------------------------------|--|
| 08/30/2017 | 1 (32 pgs) | Chapter 11 Voluntary Petition Non-Individual. Fee Amount \$1717 Filed by Lincoln James Investment Properties, LLC (Turoci, Todd) (Entered: 08/30/2017) |
| 08/30/2017 | 2 (1 pg) | Electronic Filing Declaration (LBR Form F1002-1) Filed by Debtor Lincoln James Investment Properties, LLC. (Turoci, Todd) (Entered: 08/30/2017) |
| 08/30/2017 | | Receipt of Voluntary Petition (Chapter 11)(6:17-bk-17285) [misc,volp11] (1717.00) Filing Fee. Receipt number 45492650. Fee amount 1717.00. (re: Doc# 1) (U.S. Treasury) (Entered: 08/30/2017) |
| 08/30/2017 | 3 (2 pgs) | |

| | | |
|------------|---------------------------------------|--|
| | | Corporate resolution authorizing filing of petitions Filed by Debtor Lincoln James Investment Properties, LLC. (Turoci, Todd) (Entered: 08/30/2017) |
| 08/31/2017 | <u>4</u> (1 pg) | Request for courtesy Notice of Electronic Filing (NEF) Filed by Carlyon, Candace. (Carlyon, Candace) (Entered: 08/31/2017) |
| 08/31/2017 | <u>5</u> (1 pg) | Request for courtesy Notice of Electronic Filing (NEF) Filed by Rogan, Richard. (Rogan, Richard) (Entered: 08/31/2017) |
| 08/31/2017 | | Receipt of Certification Fee - \$11.00 by 14. Receipt Number 60139073. (admin) (Entered: 08/31/2017) |
| 09/05/2017 | <u>6</u> (2 pgs) | Meeting of Creditors 341(a) meeting to be held on 9/26/2017 at 02:30 PM at RM 720, 3801 University Ave., Riverside, CA 92501. (Eudy, Debra) (Entered: 09/05/2017) |
| 09/07/2017 | <u>7</u> (3 pgs) | BNC Certificate of Notice (RE: related document(s) <u>6</u> Meeting of Creditors Chapter 11 & 12) No. of Notices: 10. Notice Date 09/07/2017. (Admin.) (Entered: 09/07/2017) |
| 09/19/2017 | <u>8</u> (8 pgs) | Motion to Set Last Day to File Proofs of Claim Filed by Debtor Lincoln James Investment Properties, LLC (Turoci, Todd) (Entered: 09/19/2017) |
| 09/20/2017 | <u>9</u> (1 pg) | Order Granting Motion To Set Set Last Day To File Proofs of Claim (BNC-PDF) (Related Doc # <u>8</u>) Signed on 9/20/2017. Proofs of Claims due by 12/29/2017. Government Proof of Claim due by 3/19/2018. (Gooch, Yvonne) (Entered: 09/20/2017) |
| 09/21/2017 | <u>10</u> (4 pgs) | Notice of Bar Date for Filing Proofs of Claim in a Chapter 11 Filed by Debtor Lincoln James Investment Properties, LLC. (Turoci, Todd) (Entered: 09/21/2017) |
| 09/21/2017 | <u>11</u> (17 pgs) | Application to Employ The Turoci Firm as General Bankruptcy Counsel Filed by Debtor Lincoln James Investment Properties, LLC (Turoci, Todd) (Entered: 09/21/2017) |
| 09/21/2017 | <u>12</u> (4 pgs) | Notice of Opportunity To Request a Hearing On Motion (LBR 9013-1(o)) Filed by Debtor Lincoln James Investment Properties, LLC (RE: related document(s) <u>11</u> Application to Employ The Turoci Firm as General Bankruptcy Counsel Filed by Debtor Lincoln James Investment Properties, LLC). (Turoci, Todd) (Entered: 09/21/2017) |

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|------------|---------------------------------------|---|
| 09/22/2017 | <u>13</u> (5 pgs) | Amending Schedules (D) <i>to add creditor Coast Assessment Service Company</i> Filed by Debtor Lincoln James Investment Properties, LLC. (Turoci, Todd) (Entered: 09/22/2017) |
| 09/22/2017 | | Receipt of Amending Schedules D and/or E/F (Official Form 106D, 106E/F, 206D, or 206E/F) (Fee)(6:17-bk-17285-WJ) [misc,amdsch] (31.00) Filing Fee. Receipt number 45629134. Fee amount 31.00. (re: Doc# <u>13</u>) (U.S. Treasury) (Entered: 09/22/2017) |
| 09/22/2017 | <u>14</u> (2 pgs) | BNC Certificate of Notice - PDF Document. (RE: related document(s) <u>9</u> Order on Motion To Set Last Day to File Proofs of Claim (BNC-PDF)) No. of Notices: 1. Notice Date 09/22/2017. (Admin.) (Entered: 09/22/2017) |
| 10/03/2017 | <u>15</u> (57 pgs) | Motion to Use Cash Collateral Filed by Debtor Lincoln James Investment Properties, LLC (Turoci, Todd) (Entered: 10/03/2017) |
| 10/03/2017 | 16 | Hearing Set (RE: related document(s) <u>15</u> Motion to Use Cash Collateral filed by Debtor Lincoln James Investment Properties, LLC) The Hearing date is set for 10/24/2017 at 01:00 PM at Crtrm 304, 3420 Twelfth St., Riverside, CA 92501. The case judge is Wayne E. Johnson (Gooch, Yvonne) (Entered: 10/03/2017) |
| 10/05/2017 | <u>17</u> (8 pgs) | Statement of Financial Affairs for Non-Individual Filing for Bankruptcy (Official Form 107 or 207) <i>to amend payments related to bankruptcy</i> Filed by Debtor Lincoln James Investment Properties, LLC. (Turoci, Todd) (Entered: 10/05/2017) |
| 10/05/2017 | <u>18</u> (2 pgs) | Disclosure of Compensation of Attorney for Debtor (Official Form 2030) <i>amending amount received prior to filing</i> Filed by Debtor Lincoln James Investment Properties, LLC. (Turoci, Todd) (Entered: 10/05/2017) |
| 10/05/2017 | <u>19</u> (3 pgs) | Objection (related document(s): <u>11</u> Application to Employ The Turoci Firm as General Bankruptcy Counsel filed by Debtor Lincoln James Investment Properties, LLC) Filed by U.S. Trustee United States Trustee (RS) (Green, Everett) (Entered: 10/05/2017) |
| 10/06/2017 | <u>20</u> (3 pgs) | Reply to (related document(s): <u>15</u> Motion to Use Cash Collateral filed by Debtor Lincoln James Investment Properties, LLC) <i>Reply of Secured Creditor Happy Rock Merchant Solutions, LLC to Debtor's Motion to Approve Use</i> |

| | | |
|------------|---------------------------------------|---|
| | | <i>of Cash Collateral</i> Filed by Creditor Happy Rock Merchant Solutions, LLC (Rogan, Richard) (Entered: 10/06/2017) |
| 10/06/2017 | <u>21</u> (5 pgs) | Declaration re: <i>Declaration of Richard A. Rogan in Support of Reply of Secured Creditor Happy Rock Merchant Solutions, LLC to Debtor's Motion to Approve Use of Cash Collateral</i> Filed by Creditor Happy Rock Merchant Solutions, LLC (RE: related document(s) <u>20</u> Reply). (Rogan, Richard) (Entered: 10/06/2017) |
| 10/06/2017 | <u>22</u> (23 pgs) | Declaration re: <i>Objection to Application to Employ The Turoci Firm as General Bankruptcy Counsel</i> Filed by U.S. Trustee United States Trustee (RS) (RE: related document(s) <u>19</u> Objection). (Green, Everett) (Entered: 10/06/2017) |
| 10/06/2017 | <u>23</u> (3 pgs) | Proof of service of <i>U.S. Trustee's Objection to Application to Employ The Turoci Firm as General Bankruptcy Counsel & Supporting Declaration</i> Filed by U.S. Trustee United States Trustee (RS) (RE: related document(s) <u>19</u> Objection). (Green, Everett) (Entered: 10/06/2017) |
| 10/24/2017 | <u>24</u> (2 pgs) | Document Hearing Held - Motion granted. (RE: related document(s) <u>15</u> Motion to Use Cash Collateral filed by Debtor Lincoln James Investment Properties, LLC) (Jefferson, Angie) (Entered: 10/25/2017) |
| 10/26/2017 | <u>25</u> (6 pgs) | Notice of lodgment on <i>Order Granting Motion to Approve Use of Cash Collateral and Adequate Protection (with Proof of Service)</i> Filed by Debtor Lincoln James Investment Properties, LLC (RE: related document(s) <u>16</u> Hearing Set (RE: related document(s) <u>15</u> Motion to Use Cash Collateral filed by Debtor Lincoln James Investment Properties, LLC) The Hearing date is set for 10/24/2017 at 01:00 PM at Ctrrm 304, 3420 Twelfth St., Riverside, CA 92501. The case judge is Wayne E. Johnson). (Turoci, Todd) (Entered: 10/26/2017) |
| 10/26/2017 | <u>26</u> (6 pgs) | Notice of lodgment on <i>Order Granting Motion to Approve Use of Cash Collateral and Adequate Protection (with Proof of Service)</i> Filed by Debtor Lincoln James Investment Properties, LLC (RE: related document(s) <u>15</u> Motion to Use Cash Collateral Filed by Debtor Lincoln James Investment Properties, LLC). (Turoci, Todd) (Entered: 10/26/2017) |
| 10/27/2017 | <u>27</u> (2 pgs) | Order Granting Motion To Use Cash Collateral (BNC-PDF) (Related Doc # <u>15</u>) Signed on 10/27/2017 (Gooch, Yvonne) (Entered: 10/27/2017) |
| 10/29/2017 | | |

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|------------|--------------------------------|--|
| | 28 (3 pgs) | BNC Certificate of Notice - PDF Document. (RE: related document(s) 27 Order on Motion to Use Cash Collateral (BNC-PDF)) No. of Notices: 1. Notice Date 10/29/2017. (Admin.) (Entered: 10/29/2017) |
| 10/31/2017 | 29 (20 pgs) | Monthly Operating Report. Operating Report Number: One (1). For the Month Ending 9/30/2017 Filed by Debtor Lincoln James Investment Properties, LLC. (Turoci, Todd) (Entered: 10/31/2017) |
| 10/31/2017 | 30 (3 pgs) | Notice of Hearing Filed by Debtor Lincoln James Investment Properties, LLC (RE: related document(s) 11 Application to Employ The Turoci Firm as General Bankruptcy Counsel Filed by Debtor Lincoln James Investment Properties, LLC). (Turoci, Todd) (Entered: 10/31/2017) |
| 10/31/2017 | 31 | Hearing Set (RE: related document(s) 11 Application to Employ filed by Debtor Lincoln James Investment Properties, LLC) The Hearing date is set for 11/14/2017 at 01:00 PM at Crtrm 304, 3420 Twelfth St., Riverside, CA 92501. The case judge is Wayne E. Johnson (Gooch, Yvonne) (Entered: 10/31/2017) |
| 11/02/2017 | 32 (3 pgs) | Reply to (related document(s): 19 Objection filed by U.S. Trustee United States Trustee (RS)) Filed by Debtor Lincoln James Investment Properties, LLC (Turoci, Todd) (Entered: 11/02/2017) |

| | | | |
|-----------------------------|--------------------------|-------------------------|---|
| PACER Service Center | | | |
| Transaction Receipt | | | |
| 11/03/2017 11:31:28 | | | |
| PACER Login: | mtehrani:4671952:4299065 | Client Code: | |
| Description: | Docket Report | Search Criteria: | 6:17-bk-17285-WJ Fil or Ent: filed From: 8/4/2010 To: 11/3/2017 Doc From: 0 Doc To: 99999999 Term: included Format: html Page counts for documents: included |

| | | | |
|----------------------------|---|--------------|------|
| Billable Pages: | 3 | Cost: | 0.30 |
|----------------------------|---|--------------|------|



Chapter 11 Quarterly Fee Information and Collection System (FICS)
US Trustees, US Department of Justice

Account Reconciliation

Field Office: 16 03 Riverside, CA

| | | | | |
|---|----------------|-------------|-----------------------|---------------|
| Case #: 736-17-17285 | CPC: | OCS: | Billed(\$): | 325.00 |
| Debtor: LINCOLN JAMES INVESTMENT PROPE | CDC: | CTO: | Fees(\$): | 325.00 |
| Opened: 08-30-17 | Closed: | CNV: | Interest(\$): | 0.00 |
| | | TIN: | Payments(\$): | 0.00 |
| | | | Principal(\$): | 0.00 |
| | | | Interest(\$): | 0.00 |
| | | | Balance(\$): | 325.00 |

Quarterly Fees and Disbursements

Payments

| Quarter | Disbursements (\$) | Fee (\$) | Batch/Trans ID | Date | Type Code | Payment(\$) |
|----------------|---------------------------|-----------------|-----------------------|-------------|------------------|--------------------|
| 3-2017 | | 325 Est | | | | |

Interest

To date, there have been no interest assessment transactions posted for this account.

Fill in this information to identify the case:

Debtor name Lincoln James Investment Properties, LLC

United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 206A/B Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

- ☐ No. Go to Part 2.
☒ Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

3. Checking, savings, money market, or financial brokerage accounts *(Identify all)*
Name of institution (bank or brokerage firm) Type of account Last 4 digits of account number

| | Name of institution (bank or brokerage firm) | Type of account | Last 4 digits of account number | Current value of debtor's interest |
|------|--|--------------------------|---------------------------------|------------------------------------|
| 3.1. | <u>Wells Fargo Bank, NA</u> | <u>Business Checking</u> | <u>2231</u> | <u>\$14,328.01</u> |

4. Other cash equivalents *(Identify all)*

5. Total of Part 1.

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$14,328.01

Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

- ☒ No. Go to Part 3.
☐ Yes Fill in the information below.

Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- ☒ No. Go to Part 4.
☐ Yes Fill in the information below.

Part 4: Investments

13. Does the debtor own any investments?

- ☒ No. Go to Part 5.
☐ Yes Fill in the information below.

Debtor Lincoln James Investment Properties, LLC Case number (If known) _____
Name

Part 5: Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

- ☒ No. Go to Part 6.
☐ Yes Fill in the information below.

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- ☒ No. Go to Part 7.
☐ Yes Fill in the information below.

Part 7: Office furniture, fixtures, and equipment; and collectibles

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- ☒ No. Go to Part 8.
☐ Yes Fill in the information below.

Part 8: Machinery, equipment, and vehicles

46. Does the debtor own or lease any machinery, equipment, or vehicles?

- ☒ No. Go to Part 9.
☐ Yes Fill in the information below.

Part 9: Real property

54. Does the debtor own or lease any real property?

- ☐ No. Go to Part 10.
☒ Yes Fill in the information below.

55. Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest

| Description and location of property Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available. | Nature and extent of debtor's interest in property | Net book value of debtor's interest (Where available) | Valuation method used for current value | Current value of debtor's interest |
|---|--|---|---|------------------------------------|
| 55.1. 27310 Madison Ave, Temecula, CA 92590 APN: 910-282-011-4 | Fee simple | \$7,000,000.00 | Appraisal | \$7,000,000.00 |

56. Total of Part 9.

Add the current value on lines 55.1 through 55.6 and entries from any additional sheets.
Copy the total to line 88.

\$7,000,000.00

57. Is a depreciation schedule available for any of the property listed in Part 9?

- ☒ No
☐ Yes

58. Has any of the property listed in Part 9 been appraised by a professional within the last year?

- ☒ No

Debtor Lincoln James Investment Properties, LLC Case number (If known) _____
Name

☐ Yes

Part 10: Intangibles and intellectual property

59. Does the debtor have any interests in intangibles or intellectual property?

- ☒ No. Go to Part 11.
☐ Yes Fill in the information below.

Part 11: All other assets

70. Does the debtor own any other assets that have not yet been reported on this form?

Include all interests in executory contracts and unexpired leases not previously reported on this form.

- ☒ No. Go to Part 12.
☐ Yes Fill in the information below.

Debtor Lincoln James Investment Properties, LLC Case number (If known) _____
Name

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

| Type of property | Current value of personal property | Current value of real property |
|---|------------------------------------|--------------------------------|
| 80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i> | <u>\$14,328.01</u> | |
| 81. Deposits and prepayments. <i>Copy line 9, Part 2.</i> | <u>\$0.00</u> | |
| 82. Accounts receivable. <i>Copy line 12, Part 3.</i> | <u>\$0.00</u> | |
| 83. Investments. <i>Copy line 17, Part 4.</i> | <u>\$0.00</u> | |
| 84. Inventory. <i>Copy line 23, Part 5.</i> | <u>\$0.00</u> | |
| 85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i> | <u>\$0.00</u> | |
| 86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i> | <u>\$0.00</u> | |
| 87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i> | <u>\$0.00</u> | |
| 88. Real property. <i>Copy line 56, Part 9.....></i> | | <u>\$7,000,000.00</u> |
| 89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i> | <u>\$0.00</u> | |
| 90. All other assets. <i>Copy line 78, Part 11.</i> | + <u>\$0.00</u> | |
| 91. Total. Add lines 80 through 90 for each column | <u>\$14,328.01</u> | + 91b. <u>\$7,000,000.00</u> |
| 92. Total of all property on Schedule A/B. Add lines 91a+91b=92 | | <u>\$7,014,328.01</u> |

Fill in this information to identify the case:

Debtor name Lincoln James Investment Properties, LLC

United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 206E/F

Schedule E/F: Creditors Who Have Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with **PRIORITY** unsecured claims and Part 2 for creditors with **NONPRIORITY** unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

Part 1: List All Creditors with PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims? (See 11 U.S.C. § 507).

☒ No. Go to Part 2.

☐ Yes. Go to line 2.

Part 2: List All Creditors with NONPRIORITY Unsecured Claims

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If the debtor has more than 6 creditors with nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

| | | Amount of claim |
|-----|--|-------------------|
| 3.1 | Nonpriority creditor's name and mailing address Frontier Communications P.O. Box 5157 Tampa, FL 33675 Date(s) debt was incurred <u>8/28/17</u> Last 4 digits of account number <u>4135</u> | \$754.63 |
| | As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Utility</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | |
| 3.2 | Nonpriority creditor's name and mailing address New Way Landscape & Tree Service 7485 Ronson Road San Diego, CA 92111 Date(s) debt was incurred <u>8/1/2017</u> Last 4 digits of account number <u>9042</u> | \$370.00 |
| | As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Property Maintenance</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | |
| 3.3 | Nonpriority creditor's name and mailing address Rancho California Water PO Box 9017 Temecula, CA 92589 Date(s) debt was incurred _____ Last 4 digits of account number <u>4527</u> | \$761.27 |
| | As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Utility</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | |
| 3.4 | Nonpriority creditor's name and mailing address Southern California Edison PO Box 300 Rosemead, CA 91772-0001 Date(s) debt was incurred _____ Last 4 digits of account number <u>9689</u> | \$2,622.22 |
| | As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Utility</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | |

Part 3: List Others to Be Notified About Unsecured Claims

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

Debtor Lincoln James Investment Properties, LLC Case number (if known) _____
Name

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

Name and mailing address

On which line in Part 1 or Part 2 is the
related creditor (if any) listed?

Last 4 digits of
account number, if
any

Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims

5. Add the amounts of priority and nonpriority unsecured claims.

5a. Total claims from Part 1

5b. Total claims from Part 2

5c. Total of Parts 1 and 2

Lines 5a + 5b = 5c.

| Total of claim amounts | |
|------------------------|--------------------|
| 5a. | \$ <u>0.00</u> |
| 5b. + | \$ <u>4,508.12</u> |
| 5c. | \$ <u>4,508.12</u> |

Fill in this information to identify the case:

Debtor name Lincoln James Investment Properties, LLCUnited States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIACase number (if known) 6:17-bk-17285☒ Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- ☐ No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

Part 1: List Creditors Who Have Secured Claims

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

Column A

Amount of claim

Do not deduct the value of collateral.

Column B

Value of collateral that supports this claim

2.1 Coast Assessment Service Company

Creditor's Name

12755 Brookhurst Street,
Suite 101
Garden Grove, CA 92842

Creditor's mailing address

Creditor's email address, if known

Date debt was incurred

06/29/2017

Last 4 digits of account number

0479

Do multiple creditors have an interest in the same property?

- ☐ No
- ☒ Yes. Specify each creditor, including this creditor and its relative priority.

1. Plaza Bank
2. Happy Rock Merchant Solutions, LLC
3. Riverside County Treasurer
4. Coast Assessment Service Company

Describe debtor's property that is subject to a lien

27310 Madison Ave, Temecula, CA 92590
APN: 910-282-011-4

\$2,890.52

\$7,000,000.00

Describe the lien

Property Owners Association

Is the creditor an insider or related party?

- ☒ No
- ☐ Yes

Is anyone else liable on this claim?

- ☐ No
- ☒ Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:

Check all that apply

- ☐ Contingent
- ☐ Unliquidated
- ☐ Disputed

2.2 Happy Rock Merchant Solutions, LLC

Creditor's Name

149 W 36th St
New York, NY 10018

Creditor's mailing address

Creditor's email address, if known

Date debt was incurred

12/14/2016

Describe debtor's property that is subject to a lien

27310 Madison Ave, Temecula, CA 92590
APN: 910-282-011-4

\$1,566,584.99

\$7,000,000.00

Describe the lien

2nd Deed of Trust

Is the creditor an insider or related party?

- ☒ No
- ☐ Yes

Is anyone else liable on this claim?

- ☐ No
- ☒ Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

Debtor Lincoln James Investment Properties, LLC Main Document Page 23 of 24 Case Number (if know) 6:17-bk-17285

Last 4 digits of account number

Do multiple creditors have an interest in the same property?

☐ No
☒ Yes. Specify each creditor, including this creditor and its relative priority.

Specified on line 2.1

As of the petition filing date, the claim is:

Check all that apply

☐ Contingent
☐ Unliquidated
☒ Disputed

2.3 Plaza Bank

Creditor's Name
**18200 Von Karman ave,
 #500
 Irvine, CA 92612**

Creditor's mailing address

Creditor's email address, if known

Date debt was incurred

Last 4 digits of account number
0003

Do multiple creditors have an interest in the same property?

☐ No
☒ Yes. Specify each creditor, including this creditor and its relative priority.

Specified on line 2.1

Describe debtor's property that is subject to a lien

**27310 Madison Ave, Temecula, CA 92590
 APN: 910-282-011-4**

\$3,610,078.00

\$7,000,000.00

Describe the lien

1st Deed of Trust

Is the creditor an insider or related party?

☒ No
☐ Yes

Is anyone else liable on this claim?

☐ No
☒ Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:

Check all that apply

☐ Contingent
☐ Unliquidated
☐ Disputed

2.4 Riverside County Treasurer

Creditor's Name

**PO Box 12005
 Riverside, CA 92502**

Creditor's mailing address

Creditor's email address, if known

Date debt was incurred

12/10/2016

Last 4 digits of account number
0114

Do multiple creditors have an interest in the same property?

☐ No
☒ Yes. Specify each creditor, including this creditor and its relative priority.

Specified on line 2.1

Describe debtor's property that is subject to a lien

**27310 Madison Ave, Temecula, CA 92590
 APN: 910-282-011-4**

\$38,294.57

\$7,000,000.00

Describe the lien

Property Taxes

Is the creditor an insider or related party?

☒ No
☐ Yes

Is anyone else liable on this claim?

☒ No
☐ Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:

Check all that apply

☐ Contingent
☐ Unliquidated
☐ Disputed

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.

\$5,217,848.08

Part 2: List Others to Be Notified for a Debt Already Listed in Part 1

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to be notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Debtor Lincoln James Investment Properties, LLC Case Number (if know) 6:17-bk-17285
Name

Name and address

On which line in Part 1 did
you enter the related creditor?

Last 4 digits of
account number for
this entity